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SPECIAL ASSESSMENTS[1]

ASSESSMENTS FOR BENEFIT AS A MEANS OF FINANCING MUNICIPAL IMPROVEMENTS

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I. INTRODUCTION

IN providing certain public improvements, especially in municipalities, benefit accrues to the land adjacent to or in the vicinity of the improvements. This benefit is usually reflected within a very short time in the enhanced sale value of the property. Where improvements in the public interest result in increasing the value of adjacent land, it is becoming more and more the practice for the government to assess the property owners with the cost of such improvements, the levy being made in proportion to the benefit received. Such levies to defray the cost of public improvements are known as special assessments.

Assessment for benefit as a means of financing public improvements is not at all a practice of recent origin. The principle was applied in England as far back as 1427, when certain acts provided for apportioning among the land owners benefited therefrom the cost involved in the construction and repair of walks, ditches, gutters, sewers, bridges, causeways and trenches which had been damaged by the inundation of the sea. The idea of special assessments was introduced in this country as early as 1691, when it appeared in the provisions of a province

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law of New York. The important part of this statute was copied almost verbatim from the English Act passed in 1667 and re-enacted in 1670 to regulate the rebuilding of London after the great fire. Special assessments, however, were not generally applied in New York for at least another century, and it was not until about 1813 that the courts recognized the principle of such assessments. By 1850 eleven states had followed New York in applying the principle of special assessments, and by 1875 fifteen additional states had used this principle. At the present time the principle of special assessments is accepted in every state and is applied in some form in a large majority of the cities in the United States.

II. DISTRIBUTION OF COST AND METHODS OF ASSESSING IMPROVEMENTS

DETERMINATION OF ASSESSMENT AREA

As the principle underlying special assessments is that of distributing the cost of public improvements in accordance with the benefit conferred, the determination of the extent and amount of that benefit becomes the heart of the problem. As a practical matter, the computation of the benefit conferred by a particular improvement on each piece of property is greatly facilitated by following certain general rules for determining the extent and the distribution of benefit. So far, such general rules have not been uniformly adopted over the country. In many places, the area and the amount of the benefit have been determined for each individual improvement by local legislative bodies in an unnecessarily arbitrary manner often to meet political expediency rather than to conform to the economic facts. Sound practice with reference to the determination of the assessment area is discussed in this report under each class of improvement.

GENERAL METHODS OF ASSESSMENT

In the different states varying statutory limitations are placed upon the plan of distributing the cost as well as on the various methods of assessment, yet there is substantial agreement in respect to the principles underlying the methods of measuring the degree of benefit. The following four general methods of levying assessments are recognized in law:

1. *Frontage.*—Under this method the assessment is spread on the abutting land in proportion to the frontage of each piece of land abutting on the improvement. The most serious objections to using it alone is its inelasticity and also the fact that frontage is not always an accurate criterion of the benefit, as it favors deep lots at the expense of shallow lots.
2. *Superficial Area.*—Under this method the assessment is spread on the abutting property in proportion to the area of the land fronting on the improvement instead of in proportion to the foot frontage. The inelasticity of this plan also makes it unsatisfactory for use alone. Another objection is its obvious failure as a proper index to the benefit as it favors shallow lots at the expense of deep lots.
3. *Valuation.*—Under this method the assessment is distributed in

proportion to the assessed valuation of the land at the time the improvement is made. It favors cheap land at the expense of dear land and fails to recognize that the present value of land is due to conditions existing before the improvement is contemplated or completed and that those conditions may be completely altered by the improvement.

4. *Proximity.*—Under this method the assessment is distributed on the basis of proximity to the improvement, the nearer land paying more in proportion to its superficial area than the more distant land according to certain established ratios, which will be discussed in connection with the various improvements. While this may be considered a variation of the superficial area method, its recognition of proximity as well as area, distinguishes it. The proximity plan overcomes the chief difficulties of the other methods. It places deep and shallow lots, cheap or dear lots, on a thoroughly equitable basis. It has the further great advantage that it is applicable to extensive improvements, the effect of which reaches beyond the immediately contiguous land.

EXEMPTION FROM ASSESSMENTS

One of the most perplexing questions with which municipal authorities have to deal in the distribution of special assessments is that of providing for exemptions granted by statute or ordinance or permitted by general policy. In many cases, particularly where the state or national government is concerned, cities, although not inhibited by law from levying assessments against property owned by those governmental units or by private institutions, are unable to collect the assessments when levied. When exemptions from assessment are granted, the balance of the assessable property must either bear the additional financial burden or else it must be distributed over the city at large. In either case, the situation is complicated and does not readily admit of an equitable solution.

It would seem that any exemption of property from special assessment, whether such property is in government or private ownership, is unsound. The benefit resulting from a public improvement inheres in the property affected, and the distribution of the cost in terms of benefit conferred should be made in that way. When national, state or city property is affected by any particular improvement, it may be necessary to meet their share of the cost out of the general fund; in any event, the adjustment necessary should be a matter of public record showing that a regular assessment had been made against the property in accordance with the benefit conferred. In the case of private schools, churches, charitable and other institutions, there should be no exemptions from assessment.

PUBLIC IMPROVEMENTS FOR WHICH SPECIAL ASSESSMENTS ARE MADE

Public improvements which have been generally recognized as work for which special assessments may be levied are as follows: (1) the acquisition of land for street or park purposes and the subsequent opening of streets and development of park property; (2) execution of city-planning projects involving the widening and straightening of streets; (3) the improvement of streets, including grading, paving, and repaving; (4) the construction of sewer systems and sewage disposal

plants; (5) the construction of water-front improvements, including levees and other shore protection.

The cost of bridges, when forming an integral part of a street improvement, should be included in the assessment for that improvement. Paying, to some extent at least, the cost of rapid transit lines by assessment on property has recently received consideration. Although no application of this idea has been made up to the present time, two cities, New York and Philadelphia, have included this method of financing in plans for the future.

In addition to assessing for the public improvements noted above, the practice is followed to a limited extent by some cities of assessing the cost of certain public services rendered. Among these are included: sprinkling and oiling of streets, removing snow from sidewalks, cleaning roadways, cleaning sidewalks, repairing sidewalks, care of street parking, planting shade trees, care of shade trees, cutting weeds, filling in lots, park maintenance and even moth extermination. The universal application of special assessments to meet such services is undesirable from an administrative standpoint. In most cases they would seem to fall more appropriately in the group of municipal services financed from taxation.

The particular problems arising in levying assessments for each of the major types of public improvements are discussed below.

1. Street Improvements

opening and widening streets

The plan of distributing the cost of street improvement varies with each kind of improvement. In case of street widening or of opening a new trunk street, the total cost should ordinarily not be assessed against the abutting property, for the nature of the improvement is evidence that it is called into being by traffic demands outside the immediate vicinity and therefore has assumed more than local importance. Of course, if the owners of the property on either side of the proposed opening or widening petition for the improvement as being necessary for their convenience or to accommodate their expansion of business, or if the improvement is a local service street, rather than a trunk street there is no question but what the locality should pay part of the cost. If traffic in a particular locality becomes congested to such an extent that it is expedient to widen, extend or open up a new street, then the cost of such improvement should be distributed between the district so benefited and the abutting property owners. It is not uncommon for such an improvement, by reason of its strategic location, to be of very important general and of comparatively little local benefit. The equitable distribution of the cost between these immediately contiguous and outlying areas depends so much upon local conditions and the circumstances calling for the improvement that no suggestion of value can be made here as to the proper allocation of the cost.

The plan of distributing the cost must be determined in each separate case only after a very careful investigation. It is well to add here that in the application of a distribution plan to an improvement of this kind, as well as to any other, local conditions must govern to a large degree, and while the application of the method, when once the plan is determined, is not extremely difficult, yet common sense and a thorough understanding of the method to be used are necessary.

While no definite plan can be given to govern the distribution of the cost between the parties benefited, that is

the degree to which the benefit is general, district or local, it is possible to outline a method to follow in spreading the amount of assessment to each lot or parcel of land once the plan of distribution of the cost is determined.

It is safe to say, however, that in no case should the entire cost of acquiring a street in excess of sixty feet in width, which is the generally accepted width for a local street, be assessed against the local property, except perhaps in the business district. It is true that property fronting on a wider street is more valuable, yet only within certain limitations, for after a street has reached a certain maximum, additional width does not necessarily involve additional benefit and it may if too wide detract from property values. In cases where it would be equitable to assess locally the whole cost of a sixty-foot street, it would seem satisfactory to assess locally 25 per cent of a greater width up to about 125 feet. Some years ago in a paper presented before the Fourth National Conference on City Planning, Nelson P. Lewis, Chief Engineer of the Board of Estimate and Apportionment of New York City, recommended that the 25 per cent of additional cost begin at a sixty-foot width, and end at one hundred and forty feet, thereby making the percentage of cost which would be locally assessed as follows for various street widths:

60	feet	100	per	cent
70	"	89.3	"	"
80	"	81.25	"	"
90	"	75	"	"
100	"	70	"	"
120	"	62.5	"	"
140	"	57.1	"	"
150	"	53.3	"	"
200	"	40	"	"

In the case of street widening the same plan would be applicable, that is, if the street were less than sixty feet in width, the additional expense in order to make it sixty feet would be assessed locally, while for any additional width the above table could be used.

In blocks of ordinary length and width, it is customary to include in the assessment area all property to the parallel middle line of the block. In determining individual assessments within this area, the method described later under "street paving" is used.

STREET GRADING

As it is ofttimes desirable to grade certain streets some years before it is either possible or expedient to pave them, the question of paying this cost naturally arises. As this step is essentially a part of the preparation for paving the cost should be distributed and the assessment spread in conformity with the policies pursued when dealing with a pavement.

STREET PAVING

There is probably no other improvement in the municipal field which claims so large a share of special assessment receipts as the paving of streets. No extended argument is necessary here to emphasize the importance of pavements from an economic, social, and æsthetic point of view. Progressive cities have realized this and have provided well paved streets financed largely through special assessments.

Because the benefit accruing to the property owner on account of the enhancement in the sale value of his land by the construction of a pavement adjacent thereto is often far in excess of the assessment, no argument is needed to justify the application of the special assessment policy to this kind of improvement. The points to be discussed here are: first, the determination of the total amount of special

benefit to be assessed and the boundaries of the area of benefit; and, second, the method of determining the individual levies.

In arriving at an equitable distribution of the cost there are several elements to be considered. In the first place, if the street is purely residential there can be no question but the entire cost should be borne locally regardless of the width of the pavement determined upon, provided that the property owners desire a greater width than would be essential from an economic point of view. On the other hand, should the street to be paved be a main artery of traffic or develop into one by reason of the improvement, then it is urged, the assessment should be more general, and the greater percentage of the additional cost over and above the width required for local use should be spread over the district benefited thereby. It might be that the additional width should be provided to stimulate the development of a certain district lying beyond or at one end of the proposed improvement, in which case the benefited districts at both extremes might be called upon to bear their proportional share of the burden It is obvious that local circumstances must govern the distribution of the cost in such cases as those mentioned above.

The development of the motor truck and its use for interurban freight transportation over the city thoroughfares, surburban roads and county highways has produced a difficult problem from the standpoint of special assessments. Where paving specifications are materially affected by through truck traffic, this fact in itself is evidence that not all of the cost should be assessed locally regardless of the street width.

Statistics show that practically three-fourths of all cities in the United States, with populations in excess of 30,000, assess the cost of pavements to the property benefited, one-half assessing the entire cost, while one-fourth assess only a portion of the cost, due, in many cases, to charter restrictions. In many jurisdictions charter restrictions have been adopted that serve to thwart a sound special assessment policy. This is particularly true of the restrictions placed on the assessment of street intersections and of the arbitrary percentage limits for special assessments. Street intersections are as much an integral section of an improvement as any other part. Consequently, the absurdity of such restrictions is obvious. This is typical of many similar legal restrictions which are hampering the free use of the special assessment policy.

To illustrate further the lack of uniformity in assessing for pavements, in Boston the amount cannot by law be over 50 per cent of the cost; and in New York, it cannot be over 50 per cent of the value of the property assessed. On the other hand, in Providence, 110 per cent of the construction cost is sometimes assessed because expense of collection, issuance of bonds, etc., are included; for Buffalo also all of the expense is assessed.

The methods of spreading the assessment over the area of benefit are similarly diverse. Many cities are spreading their assessments on the basis of frontage. This method may be justified as long as all lots are the same depth and shape, but obviously overburdens a corner lot. It is entirely inadequate when applied to irregularly shaped lots.

The method used by Seattle, Washington, should be noticed in this connection. There the property fronting on the street is divided into belts or zones parallel to the street, and the cost is assessed on the property in a stated ratio to its area lying within

these zones. Forty per cent is assessed against property lying within the first zone, thirty feet wide and adjoining the street; 25 per cent on property in the zone between thirty and sixty feet from the street; 20 per cent in the zone bounded by lines sixty and ninety feet from the street; and 15 per cent on the property lying between the line ninety feet from the street and the central line of the blocks. This plan is a step in the right direction, for it eliminates many of the glaring faults of the front foot method. It is a crude form of the proximity method.

A more complete and scientific method of distributing assessments for grading and paving improvements is employed by the city of Flint, Michigan. The plan for levying special assessments was introduced by H. E. Terry, former city engineer of Flint, and was developed to its present form, about six years ago, by W. R. Drury, at that time office engineer in the department of public works. The main elements of this plan are as follows: all property lying between the improvement and a line midway between it and the next street is included in the area of assessment. The amount apportioned to this area which is assessed to individual properties is determined by mathematical rules which vary the assessment on the basis of proximity to the improvement.

Tables have been prepared running by foot intervals to a depth of 300 feet showing the amount to be assessed according to these rules. (See Reference No. 12). In spreading assessments with the aid of these tables, the determination of the comparative assessments of long and short lots is a simple matter and irregular and triangular lots are handled without difficulty. These rules and tables resemble those used by assessors as described in the *National Municipal Review Supplement* of January, 1920. While there are cases where such rules cannot be relied upon completely, experience shows that they do serve to increase the fairness of assessments because they eliminate guesswork and discrimination in a large measure.

REPAVING

Special assessments for repaving are by no means as universal as for meeting the cost of the original construction, yet the proper distribution of the cost is no more complicated than in the case of the original pavement, and if the different factors enumerated under the discussion of pavements above are taken into account, there is no reason for any different plan of assessment.

It is true that the reconstruction of a pavement often may not enhance the value of a piece of land to the extent that the original pavement does, yet it is just as true that a depreciation in the value of the land would certainly result if the adjacent pavement were allowed to get into such condition as to render the property less accessible.

Some cities are not permitted by law to levy a special assessment upon the land benefited for a renewal pavement. The costs of such pavements must therefore be distributed through the general property tax rate on the basis of the assessed values of all property. Such a policy is unfair to high priced land, to improved land and to the owners of other taxable subjects.

SIDEWALKS

The usual practice in sidewalk construction in practically all American cities is to assess the total cost against the abutting property. In most cities the property owners are required to pay the cost of construction, repair and maintenance, and reconstruction when

deemed necessary for public safety and convenience. There are, however, a few exceptions. For example, in Boston but one assessment can be made against property owners for the construction of sidewalks. This means that when a sidewalk of any character has once been built and a portion of the cost assessed against the property the city must forever after repair and rebuild when necessary, or even construct a much wider walk than was originally built.

Such a provision is not in accordance with accepted practice. It shifts the burden from the land owner, the one directly benefited, to the city at large, where the benefit is but very limited. As a general rule, property owners should be required to construct, maintain and rebuild when necessary the walks adjacent to their property and should be held liable for any injury or damage to persons or property as a result of neglect to repair or maintain such sidewalks.

In spite of this general rule there are, of course, cases where the construction of a sidewalk may with equity be borne in part by the city at large. Where sidewalk construction forms a part of a street widening or city-planning project and the demands of pedestrian traffic necessitate a material widening the work would hardly be construed as conferring a strictly local benefit.

CROSSWALKS

In some few cases the cost of crosswalks is made the matter of independent local assessment. A crosswalk constitutes an integral part of the street section in which it is located. The cost of constructing it should be included in the cost of improving the street and the identical method should be followed in meeting the cost as obtains in the case of the street improvement.

BRIDGES

Ordinarily bridges alone are not considered among public improvements subject to special assessment. Bridge construction required in connection with a specific highway improvement may be considered as constituting an integral part of the improvement. Where this is done the cost involved should be included in the general cost of the improvement. In some cases the widening or replacement of an existing bridge by one of more substantial construction might be construed as conferring, at least in part, a local benefit. Under such conditions a portion of the cost should well be distributed by special assessment over the area deemed to be benefited. It has been the practice in New York City in financing certain of its bridges, not only to assess a part locally, over a benefit area, but also to lay a special assessment, as a surcharge of the tax rate, in large areas of the city.

2. Sewers

There are three general types of sewers: first, there is the sanitary sewer which disposes of waste water, especially water carrying polluted matter commonly spoken of as "house sewage"; second, the storm sewer which carries off storm water; and third, the combined sewer which performs the functions of both sanitary and storm sewers. Because of the different problems arising in handling special assessments for the various kinds of sewers, they are discussed separately below.

SANITARY SEWERS

There are different types of sanitary sewers in a complete sewerage system for any community. The simplest

type is the lateral sewer, sometimes spoken of as a service or local sewer because it usually serves one particular street and its benefit therefore is strictly local. The next in order is the trunk sewer, usually larger in size, and into which the lateral sewers discharge, provided, of course, that the lateral does not empty directly at the point of final disposition, which is rarely the case. This sewer may also furnish direct connection to abutting property. Then next comes the intercepting sewer, which is a still larger sewer, and as its name implies its function is that of intercepting and collecting sewage from a number of trunk sewers and conveying it to a point of final discharge. And finally, there is the relief sewer, which is usually built parallel to an old sewer that is inadequate because of growing needs.

It is obvious that each of these sewers presents a problem of its own. They are therefore considered separately.

LATERAL SEWERS

It would appear that inasmuch as the benefit derived from a lateral sewer is merely local in character, that it ought to be fairly simple to determine the method of levying the cost upon the property benefited. However, this is not the case. If one will sketch a few lots with their multifarious shapes and sizes, it will be seen at once that the problem is difficult and is made even more so by the nature of the improvements situated on the lots. To illustrate, two lots may be of equal frontage and depth; one may have a house built in the center, thereby prohibiting the construction of a second house without tearing down or moving the present structure; the other lot may have a house built upon one side with the idea of building another house upon the lot. Since this new house, when built, will require sewer service, the lot is benefited more than the lot with only one house which has but one connection. Again, one street has a sewer. A sewer is required on a cross street. The corner lot is already served. It can use but one sewer. Certainly another sewer adjacent to the property will not enhance the value, or render a benefit. Such situations as these make the problem of an equitable assessment for sewers a difficult one. To solve these difficulties, assessors have applied many apportionment rules. It is evident that the frontage method of assessment favors deep lots, and the area method favors shallow ones, so some cities have combined the two in order to secure the merits of both, but unfortunately the drawbacks of the methods sometimes offset the merits, and dissatisfaction has been the result. The arbitrary ratio assumed in most cases is to assess three-fifths of the cost on the basis of area of property sewered and the remaining two-fifths on the basis of frontage. Another plan used to a very limited extent is the entrance fee plan, that is, charging a fee for connecting to the sewer. This is unsatisfactory, since the money to defray the cost of an improvement is needed when the improvement is made, or if deferred, within a definite period and not when adjacent property is built upon.

On the basis of these facts it would seem necessary to consider the entire cost of lateral sanitary sewers as assessable to the local area served and to distribute the individual assessments on a basis of area and frontage, allowing more weight to the former.

TRUNK SEWERS

Inasmuch as trunk sewers often perform the dual service of picking up the discharge from laterals as well as direct

property connection, it is clear at once that we have a problem of allocating the proper percentage of the cost to each of these services. Obviously, the property owners adjacent to a trunk sewer should not be called upon to pay more than what it would cost to construct a sewer sufficient for their requirements plus their proportionate shares of the cost of the trunk sewer. This cost would be levied on the property benefited as in levying the assessment for laterals. The balances of the cost of the trunk sewer should be distributed uniformly over all the tributary area in proportion to the assessments for lateral sewers.

INTERCEPTING SEWERS

There are good grounds for not assessing the cost of intercepting sewers against the property benefited, for, while this part of the system is an integral part of the whole, its local benefit is less apparent. It is more a general benefit and consequently its cost should be distributed over the community at large either by special assessment or in the form of general taxation. There are cases, however, where an improvement of this kind serves only a limited area and confers a distinct local benefit. In such cases the cost can be met equitably by special assessment by the same general method outlined for trunk sewers.

RELIEF SEWERS

The need of additional carrying capacity in a certain section does not necessarily imply a faulty design of the original sewer. It is not always possible to forecast developments, nor is it always sound policy to construct a system to anticipate development by too many years; the carrying charges become too heavy. When the relief sewer becomes necessary, its cost should be distributed over the area benefited as with other sewers.

STORM SEWERS

While the assessment principles of sanitary and storm sewers are somewhat alike in character, there is also one particular point of difference that makes it more difficult to locate the benefit in the latter case. Storm sewers are not required on all streets since advantage is taken of the slope of the ground or grade of the pavement and the storm water is allowed to run in open gutters for a block before entering a sewer through the inlet. This feature makes the determination of the local benefit more difficult and has led some cities to pay for all storm sewers out of general taxation or bond issues. As the construction of storm sewers must precede the laying of permanent pavements, there is likely to be a heavy burden placed upon a particular territory if the total cost of both the pavements and sewers is defrayed by special assessment. There are cases, however, where the policy of special assessment should be adopted since a direct and measurable benefit is derived from such an improvement. In levying the assessment, however, the same principle that was applied to sanitary sewers cannot be wholly accepted when assessing for storm sewers. While a sanitary sewer must be adjacent to the property in order to allow a connection and permit a benefit, a storm sewer may be a block away, inasmuch as it handles merely storm water. Therefore, the drainage area served by the sewer should form the assessment area regardless of the location of the storm sewer.

The distribution of the assessments within the area of benefit presents a somewhat different problem from that raised in connection with other sewers.

The amount of storm water to be carried off varies in direct proportion to the area. It would therefore seem reasonable to distribute the burden in proportion to area.

COMBINED SEWERS

In dealing with a combined sewer, that is, one performing the functions of both sanitary and storm sewers, it is evident that the problem will become less complex if we divide the total cost into two proportionate parts just as if the separate design had been adopted. After this has been done, the cost assigned to the sanitary sewerage system can be assessed as has already been described and the remaining amount, or the storm sewer share, assessed to the drainage area.

3. Parks

A number of cities to-day are enjoying the benefits derived from the creation of parks, boulevards and civic centers made possible by liberal charter provisions allowing the special assessment policy to be applied in defraying the cost. That the function of a park is not alone to provide means for recreation is brought out clearly in court decisions relating to the liberal provisions relative to parks, contained in the Kansas City, Missouri, charter. Brief passages of these decisions follow:

"Public parks in cities are essential to health, comfort, and prosperity of their citizens. They are a public use, within the meaning of the constitution, for which land of citizens may be taken upon payment of just compensation. They confer general benefit upon all citizens and special and peculiar benefit upon owners of real estate in their immediate vicinity."

"It is competent for the council to define the benefit district and to assess benefits against real estate benefited and it is not necessary that a park be paid for by general taxation of the whole city."

In the case of *Haenssler* vs. *St. Louis* (205 Mo. 656, 1. c. 681) the court ruled that "city may acquire property outside of city yet near for park purposes."

As the problem of assessing for the opening and improving of parks calls for special consideration as compared with the question of maintenance, we shall consider the two problems under separate headings and follow then with the treatment of boulevards and civic centers.

OPENING AND IMPROVING PARKS

One of the early applications of the principle of assessing for acquisition of land and its development for park purposes was made in New York City in 1853, when land was acquired for Central Park, and of the total cost amounting to $5,169,369.90 a certain share was assessed against the property benefited. Since that time developments have been such that Central Park now forms the border for the most valuable residential property in the city, which is largely the result of the park development. The enhancement in value of the property benefited probably would have justified the levying of the total cost of the improvement. The same is true of parks in many other cities. Experience has demonstrated beyond doubt that the mere taking of property for park purposes immediately enhances the sale value of adjacent property. The amount of the benefit depends upon the proximity of the property to the park and will diminish as the distance from the park increases. It would seem, therefore, that the method pursued by such cities as Kansas City, Denver and Indianapolis of dividing the city into certain park districts

and then assessing each district for the entire cost of the parks for that particular district is in most cases sound. As to the method of levying the assessment within the area of benefit, excellent opportunity is offered for the application of the zone method. The location of the lines determining the boundaries of the different zones and the proportion of the total cost to be paid by each zone should be fixed to fit the particular territory. Perhaps the most scientific method of determining the distribution of cost by this method was worked out during 1917 under the jurisdiction of the chief engineer of the Board of Estimate and Apportionment of New York City. (See Reference No. 9.) It is based on various mathematical formulæ derived from a careful study of benefits derived from parks in New York City.

BOULEVARDS

Any well-designed park plan will ordinarily include a system of boulevards either within or connecting the separate park areas. A boulevard is both a part of the park system and a pleasure thoroughfare. It is therefore reasonable to distribute a very considerable part of the cost of the boulevard system over the city as a whole.

CIVIC CENTERS

In reality civic centers fall in the same category as parks, yet their importance the past few years and their almost certain prominence in the years to come warrant at least separate mention. One of the most elaborate civic centers is that developed by the city of Denver at a cost of $2,685,000. This civic center is near the heart of the city and on territory previously built up by permanent buildings which had to be acquired by the power of eminent domain and destroyed. It falls in one of Denver's four park districts which was assessed to meet the cost of the project on the basis of benefit.

4. Public Utilities

The financing of service extensions of what are commonly called public utilities—water, gas, electric, and street railway systems—by means of special assessments presents a somewhat different problem. With the exception of water supply extensions few cities have levied special assessments for public utility extensions. Nevertheless it needs no argument to show that the extension of public utilities confers a distinct local benefit. If the extension is not premature, the benefit conferred will exceed the costs of the extension.

Where the utility is privately owned, the extensions are of necessity privately financed, but where they are publicly owned the service extensions should be locally assessed because the benefit is local. It should not be overlooked that such a policy will tend to restrict service extensions until they are needed and will to this extent encourage a more economical development of public utilities.

Each utility presents distinct problems. In the following paragraphs the more important of these are discussed.

WATER LINE EXTENSIONS

Though a large number of cities meet the cost of laying water mains by special assessments, the majority still pay for service extensions from the surplus in the water fund. It is not easy to justify this practice of asking consumers to pay for new extensions. Service extensions should certainly be assessed.

Some cities assess a certain stipulated amount per front foot. This plan is obviously not equitable for the same reasons that have been pointed out in the case of sewers. The city of Bristol, Connecticut, in 1919, adopted a charter amendment which provides that when the estimated net income from water revenue from a new line shall be less than 10 per cent of the construction cost, the board of water commissioners may assess the deficit against the property benefited. Other cities have adopted similar provisions and on the whole the plan is commendable. Care should be exercised, however, to limit the application of this policy to lines primarily designed for private consumption. When extensions are made to support the distribution system, community benefit is involved and the difference in cost should be met from other sources.

The area of benefit and the individual assessments should be determined in accordance with the principles which govern assessments for sanitary sewers. The accruing benefit would seem to be similarly distributed in the two cases.

HIGH PRESSURE FIRE PROTECTION SYSTEMS

It is strange that many cities fail to recognize the possibility of special assessments in paying for separate high pressure fire protection systems. While there is an element of community or general benefit derived from the added safety of having an additional high pressure water supply service, this general benefit is slight compared with the very real benefit derived by the locality immediately served. In general these high pressure fire systems furnish water unsuitable and unused for any other purpose than fire-fighting, yet the ordinary practice has been to meet the capital cost by general taxation, and the operation and maintenance charges from water revenue received from private consumers. Here again the consumers scattered over the entire city pay for the protection afforded a limited number of property owners who are reaping definite benefits through decreased fire insurance rates and better protection. If benefit is to govern the distribution of the cost for local improvements, surely here is a clear case for the application of a special assessment policy. The area served should be the area of benefit and the individual assessments should be levied in proportion to land values. Though it may at first thought appear strange to use land value as a measure of the benefit to be derived from a high pressure system which protects combustible property, and not land, analysis shows that land values reflect very closely the economic possibilities of the locality. It is only on the higher valued land that the taller buildings can be erected profitably. While there are isolated tall buildings on low priced land, this very isolation limits the danger of a conflagration beyond the control of the ordinary fire-fighting system and therefore the benefit of a high pressure system.

STREET LIGHTING FACILITIES

Street lighting is primarily intended to protect the community against hazards of various kinds, and as such may be considered as providing a strictly community benefit to be paid for in the general budget. At the same time unusual street lighting, for example of an ornamental character, on a main thoroughfare does not fall within the terms of this definition and may be considered as conferring a strictly local benefit, and as such subject to local assessment. Furthermore, the cost of any street lighting improvement

providing facilities in excess of those recognized as necessary to safeguard the community could with equity be assessed in part against the property benefited at least to the extent that the cost exceeds that required to furnish the necessary facilities to afford adequate protection. Ohio specifically provides for the assessment of property benefited by street lighting. In several instances the courts have upheld the practice. Perhaps the most noted case is *Ankeny* vs. *the City of Spokane*, in which the courts held that the furnishing of electrical energy for street lighting purposes for a limited term is a local improvement within the meaning of a constitutional provision permitting the financing of such improvements by special taxation of the property benefited. It was also held that a street lighting system including ornamental features does not prevent the assessment of the additional cost incidental to these features against the property benefited. In view of the nature of ornamental street lighting a distribution of its cost on the basis of frontage would appear sound practice.

STREET RAILWAY AND RAPID TRANSIT LINES

In our growing cities the extension of street railway or rapid transit lines has more effect upon real estate values than the development of any other single utility. Figures show that timely extensions of transportation facilities cost less than the enhancement of land values produced thereby. In the case of one of the subway extensions in New York City the aggregate increase in land value of a district extending about a half mile on either side of the subway, due to the building of the subway, and in excess of a normal rise of $13,500,000 was about $31,300,000. The cost of the line was about $5,700,000. Had the property which was benefited borne this expense through the form of an assessment, after paying such assessment, there would still have remained an aggregate profit of $25,600,000 in excess of the normal rise in value.

This case is not exceptional. Transit facilities confer a distinct local benefit. It is clear, therefore, that financing publicly-owned trolley and rapid transit extensions offers a legitimate field for special assessments.

The distribution of cost, of course, will depend largely upon local conditions. The chief benefit resulting from the construction of rapid transit lines accrues to two zones of the city. The first of these is the business district, the boundaries of which must be determined by each city for itself. The second, and perhaps the more important, is the area tributary to the new line which will include the residential and undeveloped districts into which the line is extended. Very little benefit will accrue to the district intervening between these two areas except right along the lines themselves where these are surface street cars. The determination of the area of benefit in the residence districts and the apportionment of individual assessments are to be handled by the proximity method. In the case of subways and elevated lines with stations several blocks apart, the zones will be concentric about those stops. Express stops confer a larger benefit and justify larger zones and heavier assessments.

III. ADMINISTRATION

A well-planned and efficiently constructed public improvement confers a benefit upon the community at least equal to its cost. This benefit is seldom distributed evenly over the entire city. In almost all cases certain lo-

calities benefit far more than others from the improvement. It is therefore only fair to ask the specially benefited areas to make special contributions to meet the costs involved. Any other policy results in a special benefit to some at the expense of the entire community. In recognition of this an increasing majority of our cities are financing improvements by means of special assessments. There are still some communities, however, that have yet to adopt the policy of special assessments, and there are no cities that have recognized the full implications or possibilities of the policy.

The success of special assessment policies depends largely upon administration. While it is the purpose of this report to deal primarily with the technique of assessing the costs of local improvements, the following broader problems of administration may be mentioned.

STABILIZED POLICY

Land values in any community depend upon anticipations. Wherever these anticipations rest upon uncertain foundations, needless costs and fortuitous profits result with an inevitable hampering of community growth. For this reason, a stabilized assessment policy is of great importance to the city as a whole. It assists in the stabilization of land values.

PUBLICITY

Publicity is the best safeguard a community can have against ill-advised and extravagant improvements. The administrative provisions for initiating and authorizing assessable improvements should therefore include adequate machinery for informing those who will pay for a given improvement what their individual assessments will be and what benefit they may expect to derive. Methods should be established whereby all the pertinent facts will be made known and the opponents as well as the proponents of an improvement given their day in court. Where full opportunity to be heard and full publicity are guaranteed, the governing body of a community should have the final decision as to each individual improvement, in order that the conservatism of one locality may not thwart the best interests of the entire city.

COLLECTIONS

Special assessments should be payable either in a lump sum or in installments at the option of the land owner. Such a policy makes it possible to lay and collect relatively heavy assessments without hardship. It is also of the utmost importance that collections be rigidly enforced. A lax policy of tax collection is more expensive in the long run, and proves particularly embarrassing in the case of special assessments.

ASSESSMENT STANDARDS

Certain cities experimenting independently have evolved standards of special assessment administration. It has been the purpose of this report to outline these standards and to make them the common property of all public officials and students of government.

The determination of the broad questions (1) of the share of the cost of any project that is to be assessed, and (2) of the boundaries of the area of benefit, must be settled for each individual project, but always on the basis of an established municipal policy. The lack of such a general policy and the settlement of these questions in accordance with political expediency can result in nothing but

injustice and fluctuating land values.

Once the amount to be assessed and the area of benefit have been determined the individual levies can be made equitably on the basis of accepted assessment rules. It must not be forgotten that these rules have been based on careful analyses of the effects of different types of improvements and of long experience, and that their conformity to the facts has been frequently tested.

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NOTES AND EVENTS

C. A. Dykstra has resigned as secretary of the City Club of Chicago and moved to California to become secretary of the Los Angeles City Club.

✤

Harry H. Freeman has resigned as secretary of the City Managers' Association to accept a business position. Paul B. Wilcox, assistant city manager of East Cleveland, Ohio, succeeds Mr. Freeman as secretary of the C. M. A.

✤

Miss Edith Rockwood, formerly on the staff of the Woman's City Club of Chicago, has been made executive secretary of the Illinois League of Women Voters with headquarters at Chicago.

✤

Kenosha to Vote on C. M. Government.—Early in January the League filled a rush order from Kenosha, Wisconsin, for 10,000 copies of the "Story of the City-Manager Plan," one of the pamphlets of our Pocket Civic Series. These were used in the campaign for a city-manager charter which culminated in an election on January 26.

✤

Illinois Municipal League.—Among the immediate projects of the League announced by Secretary R. M. Story of Urbana is the promotion of legislation that will make possible the further adoption of the city-manager plan among Illinois municipalities. At present only cities of 5,000 or less are empowered to adopt the plan.

✤

St. Paul Rejects New Charter.—St. Paul voters are to be congratulated upon having rejected the charter submitted at the election on December 29. As explained in the January REVIEW the new charter provided for a mayor and council to replace present commission government. The mayor-council plan was not of the approved type, however. A number of administrative boards were set up and power was divided between the mayor, the boards and the comptroller.

✤

Boston Elects New Mayor.—Although hardly a political leader in the city supported him, James M. Curley won the Boston mayoralty contest last December with a plurality of 2,698. The mayor-elect's past term, 1914–1917, was against him, as his opponents found no difficulty in capitalizing on many points, but despite their logic and the Good Government Association's backing of John R. Murphy, Mr. Curley's campaigning methods and personal appeal won him the necessary votes.

There were four candidates in the field, and the contest was unusually intense and bitter in personal criticism. At the polls the women did not show as much enthusiasm as was expected of them, and the Murphy supporters believe that this fact was much to their candidate's disadvantage.

The total vote cast was 160,906, and was divided as follows: James M. Curley, 74,260; John R. Murphy, 71,562; Charles S. O'Connor, 10,818; Charles S. Baxter, 4,266.

✤

A Judiciary Constitutional Convention.—It has been a year of economic disturbance and acute international crises, so the ordinary man may be forgiven if he paid little attention to the judiciary constitutional convention which recently adjourned in New York. Created by the 1921 legislature to suggest amendments to the judiciary article of the state constitution it reports that no material changes in the judicial system are necessary. The election of judges is to be retained in preference to the appointive system. No changes are proposed in the organization of the higher courts and only minor ones in the organization of the lower courts. The convention was indeed free from what Macaulay called the "mere rage of experiment." Complacency was the keynote.

✤

Altoona Council Gives Up C. M. Plan.—Advocates of the city-manager system have always pointed out that where it has been adopted by a mere ordinance of the council it is relatively unstable and not apt to be so effective as where it has been made an organic part of the charter. Altoona, Pennsylvania, is a recent case in point. After several years of successful operation under a commission-council pledged to the plan two new members were elected opposed to it. As a consequence Altoona reverted to com-

mission government on January 2. C. Gordon Hinckle, who served as manager for the four years the plan was in effect and enjoyed the full confidence of the old council, has been appointed manager of Columbus, Georgia.

✦

Æsthetics and the Constitution.—The recent case of *Town of Windsor* v. *Whitney* in the Supreme Court of Connecticut (95 Conn., 357) deserves mention. A statute providing for a building line set back from the street line where a private owner seeks to open streets through his property, such streets and setback to be in accord with a town plan previously adopted by the town commission, was upheld as constitutional and as a proper exercise of the police or general legislative power of the state, requiring no compensation to the owner. Incidentally the court referred several times to beauty as a factor supporting such regulations and as stabilizing land values. It also said: "The state . . . may prevent the erection of billboards or limit their height. In short, it may regulate any business or the use of any property in the interest of the public health, safety or welfare, provided this be done reasonably. To that extent the public interest is supreme and the private interest must yield."

ALBERT S. BARD.

Further Administrative Consolidation Proposed in Massachusetts.—The Massachusetts commission on State Administration and Expenditures reported last month recommending more complete reorganization of the state departments. The commission finds that the act of 1919 did not concentrate authority in any one center and therefore did not and could not attain administrative efficiency. It will be recalled that this measure set up twenty independent departments in addition to several agencies which were left under the general supervision of the governor and council. Practically all the offices connected with the former administrative agencies were retained without alteration in personnel or duties.

The commission believes that there is much waste and inefficiency due to the failure to secure complete reorganization. It finds that there is no uniformity among the departments with respect to purchasing methods. The present system of accounting is wholly inadequate for the needs of to-day. Because of defective co-ordination each department thinks primarily if not exclusively of its own work rather than of its function as a co-operating part of a common instrument. The commission believes that it proposed consolidations would save the sensational sum of $10,000,000 a year.

H. W. DODDS.